Fiscal Responsibilities for Sponsored Projects

**OVERVIEW**

Sponsored projects are awarded to the University, not to individual investigators, departments, colleges, campuses, or other administrative units. Acceptance of a sponsored project by the Office of Research Support and Operations (ORSO) on behalf of Washington State University (WSU) signifies the University's willingness to assume responsibility for the administration of the funds in accordance with the terms specified by the awarding agency.

**FISCAL RESPONSIBILITY**

The project director or principal investigator (PD/PI), their chairperson, director, dean, campus chancellor, and other unit administrators share fiscal responsibility for the sponsored project. These individuals help ensure that the terms of the award are observed and the expenditures incurred during a given period are not in excess of the funds awarded.

**Related Policy**


**Roles**

The complementary roles of the responsible individuals are as follows:

**PD/PI**

The PD/PI is responsible for:

- Developing an overall plan for the commitment of sponsored project funds.

  The PD/PI works with the authorized person(s) in the department, college, or campus, and consults other University officers as appropriate to develop the plan.

- Approving all expenditure requests to be charged against the sponsored project account.

- Reviewing the expenditure of sponsored project funds to ensure that:
  - Funds are used only for purposes directly related to the activity supported and that the expenditures follow federal rules (e.g. the Uniform Guidance), state of Washington and WSU policies, and/or any terms, conditions, or limitations applicable under the particular sponsored project.
  - Expenditures do not exceed the total funds authorized for a given period under the sponsored project. In many cases, the sponsored project may also specify expenditure limits by budget category or line item.
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PD/PI (cont.)

NOTE: Management, administrative, and system situations may occur where expenses exceed revenue. It is important to follow the prescribed policies set forth in Executive Policy Manual EP1 to prevent overspending. See also BPPM 30.21 regarding overdrafts.

- On a regular basis, the PD/PI reviews the sponsored project account expenditures with appropriate departmental, college, or campus administrator(s).

- Certifying their effort and the effort of other employees working on the project, or arranging for someone with firsthand knowledge of their effort to certify the project effort.

The PD/PI or designee uses the Effort Certification System to review and certify effort (see BPPM 40.34 and 40.35).

- Certifying that all cost sharing obligations for the project have been met (see BPPM 40.36).

- Initiating requests for expenditure transfers and rebudgeting of costs on the project (see BPPM 30.25 and 40.23).

University units must ensure that expenditure transfers are in conformance with the requirements of BPPM 30.25.

- Initiating and approving subcontract agreements and payments.

- Notifying Sponsored Programs Services (SPS) of any program income, e.g., revenue from sales and services of goods developed in conjunction with a sponsored project.

- Assuming fiscal responsibility for overdrafts, deficits, uncollectibles, and/or disallowances that occur under a sponsored project account.

See BPPM 30.21 and Executive Policy Manual EP1 for information regarding overdrafts and deficits.

- Completing all of the following tasks in a timely manner so that an accountant in SPS may submit a final financial report and/or invoice:
  - Submitting all cost sharing information to SPS.
  - Posting all expenditures.
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PD/PI (cont.)

- Ensuring that all costs are allowable. Factors affecting allowability of costs include:
  - Reasonableness
  - Allocability
  - Consistent treatment
  - Conformity of costs to any limitations or exclusions set forth in the sponsored agreement concerning types or amounts of cost items.

- Submitting a technical report to SPS, when required.

While the PD/PI retains primary responsibility for financial accountability, the PD/PI or the department/unit head may delegate an authorized representative to act on their behalf for account/project management. In all cases, accounts must be managed by persons trained in these responsibilities and the PD/PI must be aware of all costs on each sponsored award.

Unit Administrator

The chair, director, dean, campus chancellor, or other unit administrator is responsible for:

- Establishing systematic procedures in the department, college, or campus for supervision of sponsored project accounts.

- Providing administrative support for the management of sponsored project accounts.

The unit administrator may delegate this responsibility to the departmental manager, fiscal officer, administrative assistant, or other administrative official.

- Consulting with the PD/PI and resolving any overdraft, deficit, uncollectible, and/or disallowance incurred under a sponsored project account.

In the case of an uncollectible or disallowance, the unit administrator may find it necessary to contact SPS for assistance in obtaining an appropriate resolution.

ORSO

ORSO has the institutional responsibility for assisting the University's faculty, students, and staff with securing extramural support for scholarly work, research, teaching, and service activities.

Core Responsibilities

Following are the core responsibilities of ORSO:

- Effective information dissemination and outreach
- Efficient proposal and award processing
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**ORSO Core Responsibilities (cont.)**
- Education and training
- Signature authority to bind the institution to complete the tasks, as guided by the appropriate administrators and principal investigators.

**Services**
ORSO provides the following services related to sponsored project fiscal responsibility:

- Signature authority to bind the University to accept the terms and conditions of a sponsored project.

The Board of Regents, through the President of the University, grants this signature authority to the Associate Vice President of ORSO. Others who are not so authorized do not have the authority to negotiate for or to bind the University.

- Sponsored program budget approval, training, and certification.
- Establishment and maintenance of current proposal, award, and account setup data and status in the ORSO MyResearch database.
- Regular training for faculty and staff in the use of the ORSO MyResearch database.
- Education and training for faculty, staff, and student employees regarding the management of sponsored projects. This is a shared responsibility with SPS.
- Interaction with SPS and University central administration in the management of sponsored projects.
- Employee assistance with issues related to the interpretation of regulations, special terms, conditions, and issues pertaining to University, state, and federal policies and procedures.
- Review of sponsor financial status and determination of appropriate actions for poor financial status. Appropriate actions may include, but are not limited to: requiring advance payments, obtaining credit reports, requesting financial statements, or reference letters and/or reference checks. This is a shared responsibility with SPS.

NOTE: If ORSO determines that a sponsor exhibits poor financial status, the department must provide written approval for ORSO to execute the agreement.
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SPS

SPS has the institutional responsibility for assuring the Regents, the public, and the sponsoring organization that the University has adequate systems for fiscal accountability and internal controls in place for managing funds awarded to WSU.

To fulfill this responsibility, SPS:

- Provides fiscal administration for sponsored projects, which may include, but is not limited to, grants and/or contracts, cooperative agreements, subcontracts, and other financial assistance agreements negotiated with federal, state, and private sponsors.

- Interacts with ORSO and the University central administration in the management of sponsored project activity.

- Educates and trains staff and the research community regarding the management of sponsored projects (shared responsibility with ORSO).

- Requests the establishment of international bank accounts and manages the transfer of funds and financial reporting.

- Establishes accounts in a central database and inputs budget allocations in a timely manner. SPS codes accounts for editing and processing rules and account aggregation selections.

This financial data assists PDs/PIs and/or departmental administrators in making intelligent fiscal and programmatic decisions during the course of a sponsored project.

NOTE: To ensure that PDs/PIs and departmental administrators know how to access financial data, SPS and Business Services provide training through Human Resource Services (HRS) in the use of the BALANCES, FACTS, and Datawarehouse systems. Contact SPS or the HRS Employee Training and Development unit for more information.

- Maintains data systems for:
  - Monitoring sponsored projects
  - Receivables
  - Overdrafts
  - Revenues
  - Effort certifications
  - Cost sharing
  - Invoices
  - Letter of credit draws
  - Electronic funding
  - Timely financial reporting
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SPS (cont.)

- Prepares and submits financial reports, invoices, property reports, and patent reports in accordance with award terms and conditions.

  SPS, the departments, and the PDs/PIs share responsibility for the timely submission of final financial reports.

- Obtains and/or provides audit reports for subrecipient compliance as applicable.

  In addition, SPS conducts desk audits and/or site visits for subrecipients when necessary. This is a shared responsibility with ORSO.

- Provides assistance to departmental, college, and regional campus administrators, and PDs/PIs for interpreting regulations, special terms and conditions, and responding to issues pertaining to University, state, and federal policies. This is a shared responsibility with ORSO.

- Periodically notifies departments of overdraft accounts (see BPPM 30.21).

- Annually calculates federal interest for WSU accounts and refunds accrued interest to the U.S. Department of Health and Human Services.

- Maintains project files in accordance with state and federal guidelines and/or regulations (see BPPM 90.01).

ASSISTANCE

Direct questions relating to accounting matters or requests for assistance with establishing recordkeeping systems for monitoring sponsored project expenditures to SPS; telephone 509-335-2058.